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Exchange Program Funds Proposed

FROM THE PRESS
WASHINGTON BUREAU

Rep. Benjamin S. Rosenthal called today for creation of a public non-profit corporation to provide open assistance for overseas exchange programs and other over-the-table activities funded until recently through Central Intelligence Agency conduits.

The Elmhurst Democrat and six other Democratic representatives introduced a bill establishing the corporation with the provision that none of its funds assist foreign intelligence activities or espionage.

The congressmen, all in the liberal wing of the Democratic party, introduced the bill to implement a report on CIA activities that Undersecretary of State Nicholas Katzenbach sent to President Johnson last month. President Johnson subsequently ordered the CIA to

cut off funds to foundations and other conduits which were financing exchange programs.

The congressmen, however, thought the President's directive did not go far enough.

They urged the administration to "weigh carefully the long-range public interest and to rise above the negative and essentially corrupting cold war mentality which produced and protracted covert CIA subsidies to private groups."

Unlike the CIA, the public corporation they propose would have to report to Congress all grants and loans. The corporation's board of directors would be composed of 15 trustees, 10 of whom would be from private life. All first-term appointments would be made by the President, with future trustees selected by the board itself.